

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE EASTERN DISTRICT OF VIRGINIA
Richmond Division**

In re:

LECLAIRRYAN PLLC,
Debtor.

Lynn L. Tavenner, as Chapter 7 Trustee,
Plaintiff.

v.

ULX Partners, LLC, UnitedLex Corporation,
and ULX Managers, LLC,
Defendants.

Lynn L. Tavenner, as Chapter 7 Trustee,
Plaintiff.

v.

CVC Capital Partners, Daniel Reed, Nicholas
Hinton, Josh Rosenfeld, P. Douglas Benson,
Defendants.

Chapter 7

Case No. 19-34574 (KRH)

Adv. Proc. Nos. 20-03142 (KRH)

and

21-03095 (KRH)

**OBJECTION OF THE UNITED STATES TRUSTEE TO TRUSTEE’S MOTION AND
MEMORANDUM OF LAW FOR ENTRY OF AN ORDER (I) APPROVING (A)
JUDICIALLY MEDIATED SETTLEMENT AND (B) COMPENSATION TO COUNSEL
INCLUDING AN IMPROVIDENT PAYMENT UNDER SECTION 328(A); AND (II)
GRANTING RELATED RELIEF FILED UNDER SEAL AT DOCKET NUMBER 211**

John P. Fitzgerald, III, Acting United States Trustee for Region Four (the “United States Trustee”), by and through the undersigned counsel, files this Objection to the Chapter 7 Trustee’s

Motion and Memorandum of Law for Entry of an Order (I) Approving (A) Judicially Mediated

Kathryn R. Montgomery, AUST (VSB No. 42380)
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Settlement and (B) Compensation to Counsel Including and Improvident Payment Under Section 328(A); and (II) Granting Related Relief filed under seal at docket number 211 (the “Sealed Motion”). In support hereof, the United States Trustee respectfully states as follows:

1. On April 19, 2022, at a hearing before this Court, counsel for the Chapter 7 Trustee set forth on the record terms of a settlement agreement reached by the parties.
2. On May 11, 2022, Defendants filed a Motion to Seal Settlement Agreement and Related Documents, Information and Hearings (“Motion to Seal”). (Dkt. 207).
3. On May 23, 2022, the United States Trustee filed his Opposition to the Motion to Seal.
4. A hearing on the Motion to Seal has been set before this Court on May 25, 2022. (Dkt. 208).
5. On May 18, 2022, the Chapter 7 Trustee filed the Sealed Motion. (Dkt. 211).
6. The Sealed Motion was filed without evidentiary support; however, footnote 14 of the Sealed Motion provides that the Chapter 7 Trustee anticipates filing declaration(s) at the appropriate time to sufficient enable the Bankruptcy Court to, among other things, perform its gatekeeping role in connection with determining the reasonableness of the Improvident Payment. (Dkt. 211).
7. The Notice of the Sealed Motion indicates that the Sealed Motion is set to be heard by this Court on June 8, 2022, and that objections are due on June 1, 2022. (Dkt. 212).
8. The United States Trustee does not believe that the relief sought in the Sealed Motion fully complies with the Bankruptcy Code.

9. The United States Trustee requires discovery to assess the evidentiary support for some of the relief sought in the Sealed Motion.
10. On May 23, 2022, the United States Trustee propounded discovery to the Chapter 7 Trustee in the form of Interrogatories and Requests for Production.
11. The United States Trustee intends to supplement this Objection. Accordingly, the United States Trustee reserves the right to supplement this Objection.

Respectfully Submitted,

Dated: May 23, 2022

JOHN P. FITZGERALD, III
Acting United States Trustee Region 4

By: /s/ Kathryn R. Montgomery
Kathryn R. Montgomery (VSB 42380)
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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on this 23rd day of May, 2022, a true and correct copy of the foregoing document was served via first class mail and/or electronic mail upon: (i) all parties and counsel requesting service via the Court's ECF system, (ii) the Defendants, (iii) the 20 largest unsecured creditors as listed on the Debtor's schedules, (iv) the Service List as defined by the governing Case Management Order, (v) Foley & Lardner, (vi) all Persons identified in paragraph 4 of the FAO Procedures Order, and (vii) counsel for the Chapter 7 Trustee.

By: /s/ Kathryn R. Montgomery
Kathryn R. Montgomery, Esq.